

## **PERMANENT AUDIT COMMITTEE**

The Permanent Audit Committee was established pursuant to Article 16 of the Town's General By-Laws. The Committee is charged with assisting the Selectmen in the selection of an independent auditor to perform an audit of the Town's financial statements, monitor the work of the auditor, and participate in a review and discussion of the audit's results and findings.

Town By-Laws require that an audit be carried out not less than triennially. The Town, however, undertakes an annual audit to comply with federal regulations which call for an annual audit for recipients of certain federal funds. Additionally, it is essential that audits be completed in a timely fashion in order to meet annual bondholder required disclosures and help ensure the maintenance of the Town's Aaa credit rating, which is the highest rating category of Moody's Investors Service. The Town's credit rating has resulted in favorable rates and lower borrowing costs. The Aaa rating was last affirmed on December 7, 2011. The Town is 1 of 14 out of 351 cities and towns in the Commonwealth that have been assigned an Aaa rating.

The Town's general financial statements for the fiscal year ending June 30, 2011 were audited by Powers & Sullivan CPA's. The Town received an unqualified opinion on its financial statements. The auditor's report noted that the Town complies with Governmental Accounting, Auditing and Reporting Standards. The final report also stated that the Town was in compliance with the requirements of the Federal Single Audit Act of 1984. Copies of these financial statements are included and may be obtained from the Town Accountant and they are posted on the Town Treasurer's web site.

The fiscal year 2011 audit was the first year of our third three-year contract with Powers & Sullivan CPA's. The Committee expresses its sincere appreciation to former Town Accountant Barbara Hagg for her work, and to Town Treasurer Floyd Carman, who also serves as Clerk of the Committee. The Committee also thanks Selectman Ralph Jones for his participation on this Committee and welcomes Mark Paolillo as our new representative from the Board of Selectmen. The Committee welcomes Chitra Subramanian as our new Town Accountant and looks forward to working with her.

The financial statements of the Belmont Contributory Retirement System for the year ending December 31, 2010 were audited by Powers & Sullivan CPA's. Copies of these financial statements may be obtained from the Town Accountant, and they are posted on the Town Treasurer's web site.

The Municipal Light Department's financial statements for the year ending December 31, 2010 were audited by Goulet, Salvidio & Associates, PC. The financial statements for December 31, 2010 may be obtained from the Municipal Light Department and they are posted on the Light Department's web site. The Light Department has its own credit rating established with Standard & Poor's. The AA- (meaning Stable) rating was last affirmed on December 19, 2011. The committee wishes to thank Department Accountant John Dunleavy and Municipal Light Board Advisory Committee Member Robert Forrester for all of their hard work and participation. We also thank James Palmer, General Manager for the expertise he has brought to the Town.

Respectfully submitted,  
Ernest E. Fay, Chair, Frank A. Caruso, Robert A. Keefe, James J. Finn, III, Esq. and Ex-officio members Mark Paolillo, Chitra Subramanian and Floyd Carman